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U.S. Department of Agriculture • Foreign Agricultural Service • Washington, D.C.

foreign agriculture circular

livestock and meat

FLM 9-72
AUGUST 1972

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WORLD LARD PRODUCTION AND TRADE, 1971

Summary

World lard production in 1971 is estimated at 8,273 million pounds compared with 7,871 million pounds produced in 1970. Total exports declined to 900 million pounds from almost 987 million the previous year.

Production

World production of lard in the major producing countries totaled 8.3 billion pounds in 1971, up 5 percent from 1970 and 12 percent above the 1961-65 average. All of the major producers showed gains over 1970 levels except France where production was down about 2 percent to 143 million pounds. Production in the USSR showed the largest absolute increase, followed by gains in the United States and West Germany. Lard production in most countries, except the United States, continued to show larger percentage increases than pork production, indicating closer trimming of wholesale cuts. The smaller gain in lard production compared with pork production in the United States is indicative of the continued trend of declining average yield per animal.

Lard production in North America was up 3.6 percent. All producers in this area showed gains from 1970 except Guatemala, Honduras, and Nicaragua. Production in the United States rose to 1,967 million pounds from 1,913 million produced in 1970. The gain was entirely the result of an increase in hog slaughter as the average lard yield per animal was down 4 percent to 21.8 pounds, a record low. Production in Canada totaled 140 million pounds, compared with 121 million for 1970. Output in Mexico totaled 135 million pounds, or 9 million larger than the 1970 level of 126 million.

European lard production was estimated at 3,222 million pounds, or up 4.4 percent from the 3,085 million pounds produced in 1970. Significant gains in West Germany, Hungary, the Netherlands, Italy, and Yugoslavia more than offset declines in East Germany, Bulgaria, and France. Also, production in the USSR rose to a record 1,843 million pounds last year, or almost 7 percent larger than the previous 1970 high of 1,727 million.

Brazil and Argentina accounted for most of the gain recorded for South America. Production increases in Japan, the Republic of China (Taiwan), and the Philippines caused the rise in Asia. A small gain was recorded in Oceania while the Republic of South Africa caused the drop in Africa.

World lard production for 1972 is expected to show a moderate decline from 1971. The sharp drop forecast for the United States along with a small decline expected in the European Community (EC) will offset gains in other European countries and Asia.

Trade

Lard exports from the major producing countries fell to 900 million pounds in 1971 from 987 million in 1970. Reduced exports from the United States were primarily responsible for the decline. Significant drops were also recorded for the USSR, France, and Belgium-Luxembourg.

Despite a 23 percent decline in total exports to 282 million pounds, the United States

maintained its position as No. 1 exporter of lard. The USSR was second followed by the Netherlands. Soviet exports dropped to 181 million pounds in 1971 from 196 million in 1970, but were still well above the 1961-65 average of 48 million pounds. Netherlands shipments remained unchanged from the 125 million pounds exported in 1970.

U.S. Share Declines

The U.S. share of world exports fell to 31 percent in 1971 from 37 percent the previous year. Increased competition from lower-priced, subsidized EC lard in the U.K. market caused the decline. The United States has since 1969 maintained an export subsidy on lard shipments to the United Kingdom to meet EC subsidized competition. In 1971, increased EC supplies with resultant lower prices, plus compensatory payments on exports to offset currency realinments, enabled the EC to deliver lard in the United Kingdom at prices as much as 4 cents per pound below the U.S. product. The U.S. export subsidy on lard to the United Kingdom was 1.0 cent per pound in 1971, the EC restitution (export subsidy) was 1.91 cents per pound. The EC restitution was increased on February 12, 1972 to 2.11 cents per pound and again on May 17, 1972 to 3.31 cents.

EC lard exports to third countries in 1971 totaled 256 million pounds, compared with 234 million in 1970 and the 1968 high of 306 million pounds. Larger shipments to the United Kingdom accounted for almost all of the increase.

World Imports Down 7 Percent

Lard imports by the world.s principal importers totaled 870 million pounds in 1971|down 7 percent from 1970 levels. Most of the decline was a result of reduced imports by Cuba, Poland, Belgium-Luxembourg, and Canada. The United Kingdom continued to be the world's largest importer and accounted for slightly over one-half of the total. Cuba ranked second followed by Poland, Mexico, and Hungary. Together these countries accounted for almost 80 percent of total world imports last year.

U.K. imports in 1971 totaled 449 million pounds, compared with 418 million in 1970. The demand for the use of lard in the manufacture of margarine and compound fats continued its upward trend in 1971 and amounted to 105 million pounds compared with 72 million in 1970 and 40 million in 1969.

The U.S. share of the British lard market fell 5 percentage points to 57 percent in 1971, while the EC share increased to 34 percent from 28 percent the previous year. The U.S. lard export payment program was imposed in January 1969. The previous year the U.S. share of the U.K. lard market was 56 percent, the EC share 29 percent. It is probably that the U.S. share will be only 30 percent in 1972.

Table 2-- Lard: Production and exports, world and U. S., average 1961-65, annual 1969-71

Year	World		United States			
	Production	Exports	Production	Exports	Exports as percent of World exports	Exports as percent of U.S. production
	Million pounds	Million pounds	Million pounds	Million pounds	Percent	Percent
Average:						
1961-65	7,356	862	2,396	462	54	19
Annual:						
1969	7,559	980	1,904	262	27	14
1970	7,871	987	1,913	366	37	19
1971 1/	8,273	900	1,967	282	31	14

1/ Preliminary

Table 3--Lard: Exports from specified countries, average 1961-65, annual 1969-71

Country	Average 1961-65	1969	1970	1971 1/
	Million pounds	Million pounds	Million pounds	Million pounds
United States	462	262	366	282
USSR	48	199	196	181
Netherlands 2/	121	96	125	125
France	83	72	64	60
Germany, West	4	43	36	55
Belgium and Luxembourg 2/	28	114	65	47
Bulgaria 3/	16	33	29	29
Argentina	14	24	31	24
Italy	11	48	12	24
Denmark	32	22	20	18
Romania 3/	2	22	15	13
Switzerland	2	12	10	11
Poland	18	---	---	9
Sweden	6	7	6	8
Japan	2	6	5	7
Hungary	11	14	4	---
Other countries	2	6	3	3
Total	862	980	987	4/ 900

1/ Preliminary.
2/ Includes lard processed from imported hog grease.
3/ Oil world.
4/ Includes an allowance for any missing data.

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Table 4--Lard: Exports of specified countries by country of destination, average 1961-65, annual 1969-71

Exporting country and country of destination	Average 1961-65	1969	1970	1971 1/
	Million pounds	Million pounds	Million pounds	Million pounds
United States:				
United Kingdom	363	186	259	230
Mexico	10	35	44	26
Canada	17	20	16	9
Yugoslavia	6	---	14	5
Belgium and Luxembourg	1	1	2	3
British Honduras	2	3	3	3
Germany, West	15	1	1	1
Haiti	7	3	1	1
Peru	2	2/	1	1
Korea, Republic of	2/	6	2	2/
Panama	3	1	1	2/
Poland	---	---	17	2/
Japan	1	2	1	---
Other countries	3/ 35	4	4	3
Total	462	262	366	282
USSR:				
Yugoslavia	---	27	---	---
Czechoslovakia	6	24	---	---
Bulgaria	---	12	---	---
Hungary	---	11	---	---
Cuba	30	---	---	---
Other countries	12	125	---	---
Total	48	199	4/ 196	4/ 181
Belgium and Luxembourg: 5/				
United Kingdom	17	76	42	31
Cuba	7	---	8	7
Poland	---	---	9	6
Germany, West	3	---	2/	1
Netherlands	2/	---	4	1
Japan	---	28	1	---
Other countries	1	10	1	1
Total	28	114	65	47
Netherlands: 5/				
United Kingdom	6	42	33	61
Cuba	36	5	42	27
Bolivia	9	21	11	15
Chile	3	2	5	7
Poland	2/	---	7	3
Germany, West	13	2	6	3
Japan	14	6	4	2
Hong Kong	6	2	1	1
Peru	14	---	2/	1
Portugal	2	1	1	1
Belgium and Luxembourg	1	8	11	---
Hungary	7	1	2/	---
Other countries	10	6	4	4
Total	121	96	125	125

(Continued)

Table 4--Lard: Exports of specified countries by country of destination, average 1961-65, annual 1969-71 (continued)

Exporting country and country of destination	Average 1961-65	1969	1970	1971 1/
	Million pounds	Million pounds	Million pounds	Million pounds
France:				
United Kingdom	41	23	24	36
Belgium and Luxembourg	23	44	20	11
Cuba	2	--	8	6
Netherlands	1	2/	3	3
Reunion	5	3	4	2
Germany, West	5	--	2/	2/
Hungary	2	2/	2	--
Other countries	4	2	3	2
Total	83	72	64	60
Germany, West:				
Netherlands	1	22	19	27
United Kingdom	2/	8	7	11
Belgium and Luxembourg	1	7	6	9
Denmark	--	3	3	6
Other countries	2	3	1	2
Total	4	43	36	55
Denmark:				
United Kingdom	17	18	13	15
Germany, West	4	3	3	2
Poland	2	2/	1	2/
Czechoslovakia	2	--	--	--
Hungary	5	1	2	--
Other countries	2	--	1	1
Total	32	22	20	18

1/ Preliminary.
2/ Less than 500,000 pounds.
3/ Includes 8.5 million pounds to Cuba, 3.4 to Czechoslovakia, and 3.9 to Brazil.
4/ Breakdown by country of destination not available.
5/ Includes lard processed from imported hog grease.

Table 5--Lard: Imports of specified countries, average 1961-65, annual 1969-71

Country	Average 1961-65	1969	1970	1971 1/
	Million pounds	Million pounds	Million pounds	Million pounds
United Kingdom	482	392	418	449
Cuba 2/	90	143	165	146
Poland	6	29	65	49
Mexico 3/	10	35	44	26
Hungary	30	17	27	24
Netherlands	3	33	26	23
Belgium and Luxembourg	14	63	38	21
Chile	17	21	21	21
Bolivia	18	4/ 29	4/ 22	4/ 15
Germany, West	37	12	17	14
Canada	21	30	21	13
Yugoslavia	9	17	15	13
Korea, Republic of	---	24	4	7
Denmark	1	3	4	5
Japan	15	5	4	2
Peru	18	1	1	2
USSR	27	3	3	2
Hong Kong	9	5	4	---
Czechoslovakia	26	24	---	---
Other countries	19	16	11	10
Total	852	902	934	5/ 870

1/ Preliminary.
2/ Oil World.
3/ U.S. exports.
4/ From principal exporting countries.
5/ Includes an allowance for any missing data.

Table 6--Lard: United Kingdom, imports by country of origin, average 1961-65, annual 1969-71

Country of origin	Average 1961-65	1969	1970	1971 1/
	Million pounds	Million pounds	Million pounds	Million pounds
United States	374	178	260	256
Netherlands	8	43	38	50
Belgium and Luxembourg	34	80	48	45
France	24	19	22	32
Denmark	17	17	14	15
Italy	4	27	1	14
Germany, West	7	9	8	12
Romania	1	9	3	8
Sweden	4	5	4	7
Spain	---	---	17	5
Switzerland	2/	12	3	5
Poland	8	---	2/	2/
Canada	2/	2	---	---
Other countries	1	1	2/	2/
Total	482	392	418	449

1/ Preliminary. 2/ Less than 500,000 pounds.

Table 7--Lard: EC trade by country of origin and destination, average 1961-65, annual 1969-71 1/

Country	Average 1961-65	1969	1970	1971 2/
	Million pounds	Million pounds	Million pounds	Million pounds
Imports:				
Country of origin:				
Switzerland	3/	5	5	6
Denmark	6	10	8	3
United States	8	1	2	2
Germany, East	1	2	3/	1
Other countries	4	5	3	3
Total	19	23	18	15
Exports:				
Country of destination:				
United Kingdom	72	177	107	152
Cuba	45	15	59	40
Poland	3/	---	21	20
Bolivia	9	21	11	15
Chile	3	3	5	7
Japan	14	34	5	2
Reunion	5	3	4	2
Hong Kong	6	2	1	1
Hungary	9	5	7	---
Other countries	32	15	14	17
Total	195	275	234	256

1/ Excludes intra-trade among member countries.
2/ Preliminary.
3/ Less than 500,000 pounds.

Table 8--Lard: Supply and distribution in the United Kingdom, average 1961-65, annual 1969-71

Item	Average 1961-65	1969	1970	1971 1/
	Million pounds	Million pounds	Million pounds	Million pounds
Supply:				
Domestic production	22.6	26.0	25.8	27.6
Imports	482.3	392.4	418.1	449.1
Total	504.9	418.4	443.9	496.7
Distribution:				
Used in margarine and compounds	169.7	40.3	71.7	105.3
Exports	---	---	1.6	---
Consumption	330.5	378.1	370.6	371.4
Stock change	4.7	2/	2/	2/
Total	504.9	418.4	443.9	476.7

1/ Preliminary.
2/ Not available.

Table 9--Lard: Principal foreign suppliers' percentage share of total United Kingdom imports, average 1961-65, annual 1969-71

Supplier	Average 1961-65	1969	1970	1971 1/
	Percent	Percent	Percent	Percent
United States	77.6	45.4	62.2	57.0
EC	16.0	45.4	28.0	34.1
Other countries	6.4	9.2	9.8	8.9
Total	100.0	100.0	100.0	100.0

1/ Preliminary.